

Weather Forecast  
Fair and continued cool; lowest tonight about 40; tomorrow fair, rising temperature; Saturday fair, warmer. Temperatures today—Highest, 56, at 2 p.m.; lowest, 42, at 6:30 a.m.  
From the United States Weather Bureau report.  
Full details on Page A-2.

Closing N. Y. Markets—Sales, Page 22.

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THREE CENTS.

# U. S. EMBARGOES STEEL SCRAP TO JAPAN

## Hull Warns Nations They Destroy American Principles at Own Risk; Tokio Axis Aid Hinges on America

Shipments to All But Britain After Oct. 16 Banned

By GARNETT D. HORNER.

The United States today coupled an embargo on exports of iron and steel scrap to Japan with a warning that those nations which seek to destroy principles of international relations upheld by this country do so on their own responsibility.

The embargo action, coming less than 24 hours after announcement of a new \$25,000,000 loan to China, was considered part of a determined move by this Government to do all it can by means "short of war" to checkmate the Japanese drive for domination of all Asia.

The warning was delivered by Secretary of State Hull when asked to comment at his press conference on dispatches from Tokyo quoting Japanese authorities as saying Japan was convinced that the United States is opposed to her "legitimate" expansion in the Orient and that Japan would support Germany if this country should enter the European war on Great Britain's side.

Mr. Hull read to reporters a statement he first made July 16, 1937, outlining fundamental principles of American foreign policy as opposing the use of force and interference by any nation in the affairs of other countries.

If there be those who oppose or seek to destroy these principles that is their responsibility, the Secretary declared.

The 1937 statement of policy emphasized that while the United States avoided entering into alliances or entangling commitments, it did "believe in co-operative effort by peaceful and practicable means" to support its principles. Secretary Hull's re-emphasis on this statement today hinted at strong possibility of co-operation with Great Britain in efforts to preserve the status quo in the Far East.

Disapproval Reinforced.

Cutting off the American supply of scrap iron and steel for the Japanese munitions industry—which was said to have been getting 90 per cent or more of this material from the United States—materialized the Secretary's disapproval expressed by Secretary Hull earlier this week on Japan's action in upsetting the status quo by moving into Indo-China.

The embargo against Japan was the practical effect of regulations approved by President Roosevelt after October 15 shipments of any iron and steel scrap to any country except England—the heaviest purchaser of the metal here so far this year—and nations of the Western Hemisphere.

Mr. Hull was asked at his press conference if there was any official explanation as to why England was exempted from the embargo. He replied that he knew of no explanation other than what the American people were talking generally on that subject, obviously referring to widespread public support of measures to aid the British.

The Secretary said he could give no information on whether Great Britain might reopen the Burma Road into China on October 18, when a temporary Anglo-Japanese agreement for closing of the road to movement of military supplies will expire. He pointed out that this government's position against closing of the road had been made public.

Second Biggest Buyer.

Japan was the second biggest buyer of iron and steel scrap from this country during the first seven months of 1940, taking 525,309 tons of the total exports of 1,736,089 tons, while 599,814 tons went to the United Kingdom. During the same period of 1939, Japan was by far the biggest customer, taking 1,155,536 tons of the total exports of 2,123,264. Shipments to the United Kingdom for the same period amounted to 254,234 tons.

The extension of the export licensing system to iron and steel scrap does not affect shipments of other iron and steel products.

During the first seven months of 1940, the United States exported to Japan 125,708 tons of non-scrap iron and steel.

The figures for July, 1940, the latest month for which statistics are available, show United States exports to Japan of 17,025 tons of non-scrap iron and steel.

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2,000 Japanese Troops Land Unresisted Near Haiphong

Peaceful Settlement of Northern Border Dispute Believed Possible Now

By the Associated Press.

HAIPHONG, French Indo-China, Sept. 26.—Two thousand Japanese troops landed this morning 6 miles from this port without firing a shot and without meeting French resistance after three Japanese planes had bombed a nearby railroad crossing, killing and wounding 15 natives.

Shortly after noon the Japanese troops, led by a squadron of light tanks, marched to quarters which the French had provided.

The Japanese commander paid his respects to the French officers and expressed regrets for the aerial bombing. He said it was a mistake.

Agreement Fulfilled.

The landing on the coast was in fulfillment of a Japanese-French agreement which is being put into effect despite the Japanese Army's forcible entry across the Chinese border—which the French say violated the pact.

Informants expressed belief that the "peaceful" entry at Haiphong would open the way to settlement of the northern border issue brought about by Japanese marching in Sunday night from the neighboring Kwangsi Province of China.

The French called the overland thrust an act of force—the Japanese called it and ensuing clashes with French border troops a result of "insufficient arrangements by Indo-China authorities" under the Tokio-Vichy accord.

Forces Enter Langson.

Domei reported that the overland forces from the north entered Langson, 80 miles northeast of Hanoi, last evening after negotiations with the French commandant.

A French commander last night said that French troops had withdrawn from Langson, having been encircled by "vastly superior Japanese forces."

Shanghai Transit Lines Tied Up by Walkouts

SHANGHAI, Sept. 26 (AP).—Informed sources said today a general strike appears imminent in Shanghai following walkouts which have tied up all transportation services except a few trolleys still operating in the French concession under a heavy police guard.

These sources expressed belief the transportation strike is politically inspired with a view to distracting attention from developments in French Indo-China and said this view is supported by the fact that a majority of the present strikers has not presented concrete demands.

The Shanghai Power Co., largest American-owned firm in China, still is unaffected.

Great Britain Smarts Under Failure of Action at Dakar

LONDON, Sept. 26.—Great Britain smarted with disappointment today over abandonment of the attempt to seize Dakar, key post of French West Africa, after a three-day battle in which the Admiralty guardships had suffered damage and casualties.

To many, the incident recalled memories of British setbacks in Norway, Flanders and Somaliland, but the public was too much concerned for the moment with the battle of Britain to voice widespread criticism, and there was no indication the ill-starred venture had weakened Prime Minister Churchill's government.

Expected to Join Reich if This Country Fights

By the Associated Press.

TOKIO, Sept. 26.—A highly qualified Japanese informant, picturing Washington as an unalterable opponent of Japanese expansion, declared today that Japan is expected to go to active support of Germany if the United States enters the European war.

Trustworthy advices received yesterday by the Associated Press said that Japan is expected soon to announce a new pact, perhaps a full alliance, with the Rome-Berlin axis.

The Japanese informant said his government finally is convinced that the United States is unalterably opposed to Japan's "legitimate" expansion in the Orient.

This source said that "strengthening" of the anti-Comintern pact of Germany, Italy and Japan had become one of the main objectives of Japanese diplomacy in the past year.

Meanwhile, he indicated, a "congression pact with Soviet Russia is not unlikely."

Opposed to Communism.

"Japan is and always will be opposed to Communism," he said. "But this doesn't mean that a working arrangement with the Russia is cannot be effected."

(Recent Japanese press comment has urged rapprochement between Tokyo and Moscow and Japan recently changed her Ambassador to Moscow for that ostensible purpose.)

"Japan has consistently sought only peaceful, economic penetration of the Far East," said this qualified informant, returning to the question of the United States.

"Our sphere of action lies here and we prefer not to send troops and warships to the various corners of the Far East to guarantee that penetration."

However, the United States has consistently attempted to block Japan. Even during times when the British offered conciliation, the American policy increased in strength.

Spanish Pact Expected.

Political circles here believe that Germany shortly will announce a pact with Spain in a strong line-up of the axis group against the non-totalitarian powers.

These sources said that last year, when recent Japanese military alliance was under discussion, an influential group of Japanese still hoped to reach agreement with the United States, but now there seems to be no further hope in that direction.



Return of Rip Van Winkle

## Plane Plants Found Operating At Less Than 65% Capacity

Believing that quantity production of combat airplanes at the earliest possible moment is the key to American security, as well as the greatest contribution this Nation can make to Great Britain, under the policy of "all aid short of war," The Star has undertaken a survey to determine the state of affairs in the American aircraft industry. This is the first of a series of articles based on these studies.

By JOSEPH S. EDGERTON.

Despite the vital importance of modern warplanes to Great Britain in this hour of her trial and to the United States in the face of growing threats to our security and the safety of the Americas, the United States aircraft manufacturing industry is not yet producing at the maximum capacity of facilities now available.

Many plants are working five-day weeks; few, if any, are on full 24-hour schedules, and there are other factors which are tending to curtail production.

Taking as a standard of maximum production the operation of all available plant facilities 24 hours a day, seven days a week, it is probable that the United States aircraft industry today is operating at less than 65 per cent capacity as a whole.

A majority of the plants engaged in warplane production now are on a "two and one-half shift" basis, with a third shift, running about five hours. This means that

(See EDGERTON, Page A-15.)

## Legion Elects Warner National Commander On First Ballot

By the Associated Press.

BOSTON, Sept. 26.—Milo J. Warner, Toledo (Ohio) attorney, won election as national commander of the American Legion today in a landslide on the first ballot.

The contest for the most prized of all Legion posts was settled quickly after the veterans' organization, at the closing session of its 22d annual convention, decided overwhelmingly against any declaration in favor of United States neutrality.

After a heated floor fight the Legionnaires shouted down an amendment favoring neutrality in all foreign affairs dealings, thus reversing an unbroken policy of the organization for the last 16 years.

The floor battle for the national command, which had started as an apparently tight contest among 10 candidates, was over almost before it began. State delegations holding more than 700 votes, a majority, seconded the nomination of Mr. Warner, thus virtually assuring his victory.

## Willkie to Make Bid For Farm Vote Tonight In Omaha Speech

By J. A. O'LEARY, Star Staff Correspondent.

ON BOARD WILLKIE SPECIAL IN SOUTH DAKOTA, Sept. 26.—Wendell Willkie will make a major bid in Omaha, Neb., tonight for the thousands of farm votes in the 17 States into which he carried his campaign for the presidency during the past two weeks.

Earlier in the campaign he made it clear he will retain the present soil conservation program of benefit payments until a better plan can be devised, but he probably will elaborate on how improvement could be made in the system.

It is believed he will seek also to show at Omaha how the welfare of agriculture is tied in with the industrial life of the Nation and with some phases of international relations. The Omaha speech will be broadcast over a national network.

"Get Off Bankruptcy Road."

Addressing more than 5,000 persons in the Corn Palace at Mitchell, S. Dak., this morning, on the way to Omaha, Mr. Willkie said the American people have not felt the full effect of the depression because the Government has been living on borrowed money. He warned, however, that if this country continues down the road of indebtedness, "this democracy will pass."

Mr. Willkie said he has heard much talk for seven and a half years about this administration being the friend of the poor rather than the rich, but asserted that every rich man he knows is better off today than he was before.

"I am pleading with you," he said, "not for the sake of Wendell Willkie, but for the sake of the democracy, we must get off the road to bankruptcy."

Hits At Business Taxes.

Mr. Willkie declared he would seek to create more jobs by encouraging new industry. "Of course, you can't have new enterprises when the government burdens them with taxes, taxes and taxes," he continued.

The rich, he said, "have taken their money out of enterprise and into the stock market."

(See WILLKIE, Page A-4.)

## New Drive Against I. R. A. Nets 30 Men in Belfast

By the Associated Press.

BELFAST, Northern Ireland, Sept. 26.—Police made a new drive against the outlawed Irish Republican Army today, arresting 30 men in raids encompassing whole streets of houses.

The arrested men will join 200 I. R. A. supporters imprisoned on an internment ship in Ulster for the duration of the war.

Summary of Today's Star

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## House Unit Votes \$1,469,993,636 More for Army

Funds Will Provide For Total Force of 1,399,441 Men

By the Associated Press.

The House Appropriations Committee recommended today that Congress vote an additional \$1,469,993,636 in cash and contract authorizations to bring the Nation's Army to 1,399,441 men by next July.

The committee approved a bill which would increase the session's total appropriations and contractual authorizations for the armed services to a peacetime record of \$12,136,832,516. This did not include approximately \$4,700,000,000 authorized for a "two-ocean Navy" program.

An item of \$1,062,976,496 to feed, clothe, equip, pay and otherwise provide for National Guardsmen, Reserve officers and draftees was in addition to \$338,263,902 appropriated early in the week for barracks and other housing needs.

Supplies for 1,024,441 Men.

The bill included \$155,000,000 of appropriation and \$150,000,000 of contractual authority for expediting production of airplanes, the goal for which was said to be 36,000 a year by 1942.

Other major items included \$107,445,499 for purchase of 78,015 motor vehicles, \$24,825,108 for administration of the draft, \$36,000,000 for anti-aircraft batteries for auxiliary naval vessels now being acquired; \$10,000,000 for a graving drydock at New York City, \$5,000,000 for a naval supply depot at Bayonne, N. J., and \$36,444,640 to supplement the 12,000 pilot training program.

The committee said that if the appropriation bill won approval, the War Department planned to bring into the service during the remainder of the current fiscal year a total of 1,024,441 men in addition to a force of 375,000 Army Regulars previously appropriated for.

Of this number, not to exceed 80,000 may be taken from those to be registered October 16 for military service.

To Provide Army Reserve.

The committee said the \$12,136,832,516 defense fund would:

- Increase the Regular Army from 227,000 to 375,000 men, raise the strength of the National Guard from 210,000 to 346,130 men, induct into the service and train a minimum of 695,990 conscripted men, raise the strength of the Navy from 145,000 to 175,000 and the Marine Corps from 25,000 to 34,000.

Provide, clothe, feed, pay and train these expanded forces.

- Increase pilot training and develop enlisted airplane mechanics.
- Completely equip and maintain 1,400,000 soldiers at combat status.
- Provide reserve stocks of semi-automatic rifles, anti-tank guns, tanks, light and heavy artillery, ammunition, gas masks, etc.—for a ground force of 2,000,000 men.

Provide the Army with 25,000 and the Navy with 10,000 "serviceable" airplanes.

- Begin construction of 292 combat naval vessels and 37 auxiliary ships.
- Provide additional airplane, ship, building and other armament production facilities.
- Establish and develop new Army and Navy air bases and stations.

Clothing for 1,400,000.

The Army's plans to have clothing and personal equipment for 1,400,000 men by next June 30 were revealed by Maj. Gen. Edmund B. Gregory, quartermaster general, at an executive House Appropriations Subcommittee hearing.

Gregory asserted that \$165,262,093 asked by the Army in the bill for this purpose would—when added to other funds already appropriated—provide for a force of that size. Congressional approval of the sum, he said, would provide the Army with \$468,630,937 for soldiers' clothing and such gear as packs, mess kits, etc.

Gen. Gregory's statement was considered significant because of See APPROPRIATIONS, Page A-3.

## Canadian Ship Captures Nazi Vessel Off Mexico

By the Associated Press.

OTTAWA, Sept. 26.—The Canadian armed merchant cruiser Prince Robert has captured the German ex-prize cargo ship Weser off Manzanillo, Mexico, Navy Minister Angus Macdonald announced today.

The Weser, a 9,179-ton ship which plied as a passenger liner on the North German Lloyd's Bremen-Pacific service, took refuge in Punta Arenas, Costa Rica, shortly after the war began. She moved thence to Manzanillo, arriving late in July.

Mr. Macdonald said the Weser left Manzanillo yesterday and was seized last night.

The captain and most of the crew of the Weser have been transferred to the Prince Robert and the prize ship is being escorted to Esquimalt, British Columbia, by Navy Minister.

Mexican west coast waters, in which the capture apparently was made, are included in the American naval zone.

In July there was an unconfirmed report that the Weser was being equipped as a raider, with paint taken aboard to camouflage her. This word came from Costa Rica after she had moved to Manzanillo.

British have suspected the Weser of supplying fuel to German submarines. She took aboard more than 100,000 gallons of Diesel oil while at Punta Arenas, Costa Rica.

## British Civilians To Get Rag Helmets Instead of Steel

By the Associated Press.

LONDON, Sept. 26.—Britons soon may be wearing "rag" helmets due to a shortage of regulation "tin hats" made of steel. The steel is needed for guns, tanks and ships.

Experts have produced a substitute "crash" hat made chiefly of rags for armament workers. It is half the weight of the regulation helmet and only slightly more pregnable.